

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)	
regarding administration and operation of the)	Case No. U-13129
Low-Income and Energy Efficiency Fund.)	
_____)	

At the June 24, 2010 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Greg R. White, Commissioner

OPINION AND ORDER

The Customer Choice and Electricity Reliability Act, 2000 PA 141, authorized the creation of the Low-Income and Energy Efficiency Fund (LIEEF) administered by the Commission via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding was the utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. MCL 460.10d(7) provided for the use of a portion of the savings.

Beginning with the interim rate relief order for The Detroit Edison Company, which was issued on February 20, 2004 in Case No. U-13808, the Commission began including the LIEEF funding requirement into base rates for several of the State's electric and gas utilities as part of their cost of service. Further, in prior orders in this docket, the Commission has followed an

established framework for administering the LIEEF and procedures for considering specific proposals.

On April 16, 2010, the Commission invited nonprofit, public, or private organizations to submit proposals to conduct one or more pilot demonstration projects addressing energy affordability within Michigan's low-income residential customer class. By the May 13, 2010 deadline, the following organizations submitted proposals seeking a total of \$20,474,432: Great Lakes Energy Service, Habitat for Humanity Detroit, Habitat for Humanity of Michigan, Michigan Community Action Agency Association, Newaygo County Community Services, and Shorebank Enterprises.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In selecting a recipient for the grant, the Commission used the criteria outlined in the Request for Proposal.

Based on its review of the applications, the Commission awards the following LIEEF grant:

- Michigan Community Action Agency Association - \$1.9 million for Phase I to conduct one or more pilot demonstration projects to be executed by November 2010 addressing energy affordability within Michigan's low-income residential customer class. Projects will include a combination of energy efficiency services with a portion to develop innovative bill payment tariff/rate options designed by the partnering rate-regulated utility DTE Energy Company.

Upon completion of Phase I, a project report will be submitted to the Commission no later than February 28, 2011 and will include financial status reports, preliminary pilot project results, test data, and the lessons learned from the pilot projects developed and executed by November 2010. The Commission will conduct a review and an evaluation of the project outcomes. If the Commission determines Phase I to be satisfactory, an order will be issued approving up to \$5 million in additional funding for Phase II of the grant, as outlined in the grantee's Attachment A.

Pilot tariffs developed as part of this grant must be submitted to the Commission for review and approval prior to implementation.

If the grantee received less than requested in its proposal, the proportion of funds for direct assistance to indirect costs and overhead will remain the same as in its original request. The Commission directs the Commission Staff to complete the necessary grant agreement documents with the grantee. As always, the grant is contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grant for a total of \$1.9 million is approved for Michigan Community Action Agency Association. The Commission approves \$1.9 million for Phase I to conduct one or more pilot demonstration projects to be executed by November 2010 addressing energy affordability within Michigan's low-income residential customer class. Projects will include a combination of energy efficiency services with a portion to develop innovative bill payment tariff/rate options designed by partnering rate regulated utility DTE Energy Company.

B. The Commission Staff shall complete the necessary grant agreement documents with the grantee.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Greg R. White, Commissioner

By its action of June 24, 2010.

Mary Jo Kunkle, Executive Secretary